

FORM
SECURITY INFORMATION

MIL/8274

9 August 1952

Operational/REDCAP

Meeting with Grallspice on 12 July 1952

Contact Report No. 11

1. [] arrived at the operational apartment at 0910 hours.

Operational Matters.

2. Grallspice's Trip to Germany.

Many aspects of Grallspice's recent trip were discussed at this meeting but a comprehensive report is not included at this time; Grallspice said that he was working on a detailed report which would be ready for [] at the next meeting.

3. Persons of Operational Interest.

Grallspice reported on three persons he had contacted in Germany whom he felt might be of operational use in Vienna. Traces on these persons were requested in VIEN-8069.

a. ~~Helmuth~~ ULMER. ULMER presently is living in Steinheim bei Muenningen. He is about fifty-two years old, has had a great deal of business experience, is well educated, and makes a good appearance. ULMER at the present time is running a business in Germany which is in his wife's name as a result of the fact that he went bankrupt about two years ago. Grallspice told ULMER, whom he has known since 1947, of his job with LINDEK in Vienna and said that if he found that business opportunities in Vienna were sufficiently large, he would need someone to assist him in Vienna. ULMER agreed that he would be willing to work in Vienna for 450 DMs per month plus free housing. Grallspice feels that if his cover job is productive, it will be necessary to have someone to actually head up the business in Vienna. He feels further that ULMER might be a satisfactory candidate for such a position. Grallspice understands that ULMER would have to be paid out of income derived from business transacted for LINDEK.

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b. Viktor SUROW. SUROW presently is living in Germany in the Walka DP Camp, Block 4, IV A-3-C. SUROW is an alias and Grallspace does not know the man's real name. SUROW was born in Austria and spent most of his life there. He worked earlier for the "Jugend Freiheits Bewegung," a carry-over from the old VIASSOV group, and in this capacity smuggled propaganda material to members of this group living in the Parsch DP Camp in Salzburg, Austria. SUROW comes very highly recommended by BUBLICK, also known as ~~BARASCHOFF~~, an old friend of Grallspace. He is presently secretary of AKOMR, the anti-Soviet radio station in Munich. Grallspace met SUROW when the latter was visiting BUBLICK in an attempt to get back into anti-Soviet activities. SUROW does not know Grallspace by his real name and does not realize that Grallspace is interested in the possibility of using him operationally. Grallspace requested that BUBLICK obtain a lebenslauf from SUROW under the pretense that the latter is being considered for a position with the Munich radio setup. Grallspace was very favorably impressed with SUROW and believes that he could be very useful if he were willing to return to Vienna with false documents. The false documentation would be necessary in view of the fact that SUROW presently is living under a false identity because he is wanted on a smuggling charge in Austria.

c. Gudrun SACHSSE. SACHSSE was born in Berlin in 1927 and presently is residing in Munich. In late 1948 or early 1949 SACHSSE left Berlin and went to Munich where she obtained employment with Satirikon, the anti-Soviet periodical published there. While in Berlin SACHSSE was known for her numerous contacts with Soviets. She apparently was in great demand because of her knowledge of the Russian language and her ability to sing in Russian with charm and finesse. Grallspace met SACHSSE by chance in Munich in 1951. He met her again through mutual friends during his recent trip to Germany and feels that if her record is clean, she might be of value in Vienna--providing some cover story could be established for her.

NOTE: [] raised a number of objections to each of the above persons and their potential usefulness in Vienna. Grallspace understood that before any conclusions or decisions could be made concerning their possible use, it would be necessary for us to obtain name checks and the necessary traces. Grallspace admitted that none of the suggested persons appeared to be ideal but he felt that each offered a particular possibility for employment in Vienna against the Soviet target.

5. Grallspace's Relationship with FROELICH.

a. Traces on Sergei Bernardowitch FROELICH were requested in VIEN-8069.

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b. Grallspace's own version of this relationship, which appears to be quite interesting, is attached to this contact report as attachment A. This attachment is a translation of a report that Grallspace voluntarily wrote for [] []

Operational Elements.

5. There did appear to be very definite CI aspects inherent in Grallspace's relationship with FROELICH but an evaluation of these elements will be impossible until such a time as more is known about the present status of FROELICH.

Personal Matters.

6. Grallspace said that he had been able to register at the Hotel Muechenhof without difficulty and found it pleasant, also expensive. He said that he had started already to attempt to find a personal apartment and hoped that he would be successful within a week.

Supply and Support.

7. Finances.

a. Grallspace was paid a total of 2,145.54 schillings which was broken down as follows:

752.79 - balance of payment due for \$100 in schillings at cost rate received by Grallspace and deducted from his June DM salary.

393.75 - expenses for June.

1,000 - salary for the month of July.

b. Grallspace said that of the \$40.40, cost of his return ticket to Vienna, he had received \$22.40 in Munich and had paid \$18 from his own pocket. Grallspace turned in both of his airline tickets and was told that he would be reimbursed in schillings at the cost rate.

Close of Meeting.

8. The next meeting with Grallspace was arranged for 16 July at 1400 hours. [] [] left the operational apartment at 1245 hours.

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Case Officer Comments.

9. It is most encouraging that Grallspace was successful in his effort to receive documentation as a representative for LINDEK in Vienna. Even though Grallspace is not capable of doing any legitimate business for LINDEK, this cover should be able to hold for a minimum of three months. However, Grallspace will attempt to contact the United States Army Disposal Officer and to obtain the type of material in which LINDEK is interested. If there should be sufficient possibilities for establishing a legitimate business based on army surplus property goods, Grallspace's cover should hold up for a much longer period of time.

10. Grallspace appears to be in excellent spirits and [] was pleased to note that his reporting was as detailed and comprehensive as ever.

Distributions:

- 3 - Wien w/1 attachment
- 2 - Prog Rpt w/2 attachments
- 1 - PDH w/attachment
- 1 - PCB circulation w/attachment

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